

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUWAIT 02342 011133Z

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 NEA-10 ISO-00 FEA-01 ERDA-05

AID-05 CEA-01 CIAE-00 COME-00 EPG-02 DODE-00

FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 OES-07 SP-02 SS-15 STR-04

TRSE-00 ACDA-07 /119 W

-----011139Z 086836 /44

R 011027Z MAY 77

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 7889

INFO AMEMBASSY ABU DHABI

USINT BAGHDAD

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY VIENNA

LIMITED OFFICIAL USE KUWAIT 2342

E.O. 11652: N/A

TAGS: SA, OPEC, ENRG

SUBJECT: SAUDI-KUWAIT IMPASSE ON NEUTRAL ZONE OIL PRICING

REF: (A) KUWAIT 2326, (B) KUWAIT 2168, (C) KUWAIT 0578

1. BECAUSE OF TWO-TIER PRICE SYSTEM, 77 FIRST QUARTER
OUTPUT OF JAPANESE OWNED ARABIAN OIL COMPANY (AOC) WHICH
HAS CONCESSION IN SAUDI/KUWAITI NEUTRAL ZONE, HAS
PLUMETTED 48 PERCENT BELOW OUTPUT DURING COMPARABLE PERIOD
IN 1976. AOC HAD HOPED TO ARRIVE AT SOME SORT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUWAIT 02342 011133Z

OF UNDERSTANDING WITH GOK AND SAUDIS TO PERMIT IT
TO INCREASE PRODUCTION UNTIL TWO-TIER PRICE DISPUTE
RESOLVED. NOTHING, HOWEVER, HAS COME OF THIS.
JAPANESE EMBASSY PETROLEUM SPECIALIST TOLD US APRIL
30 THAT, IN MEETING THAT DAY WITH KUWAIT OIL MINISTER
KAZIMI, HIGH LEVEL AOC OFFICIAL FROM TOKYO HEADQUARTERS
GOT ABSOLUTELY NOWHERE. KAZIMI MADE IT CLEAR, JAPANESE

EMBOFF SAID, THAT THERE WAS UNLIKELY TO BE ANY PROGRESS
MADE ON IMPROVING AOC'S SITUATION PRIOR TO JULY
STOCKHOLM OPEC CONFERENCE.

2. COMMENT: KAZIMI'S REACTION TO AOC'S PLEAS IS INTEREST-
ING INDICATION THAT LITTLE PROGRESS IS BEING MADE BY
KUWAIT AND SAUDI ARABIA IN RESOLVING TWO-TIER PRICE
DISPUTE.
MAESTRONE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, BUSINESS FIRMS, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 01-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT02342
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770152-0929
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197705105/aaaadnnpn.tel
Line Count: 71
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d78a6088-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 KUWAIT 2326, 77 KUWAIT 2168, 77 KUWAIT 578
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2337643
Secure: OPEN
Status: NATIVE
Subject: SAUDI-KUWAIT IMPASSE ON NEUTRAL ZONE OIL PRICING
TAGS: ENRG, SA, KU, JA, OPEC, ARABIAN OIL CO, AOC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d78a6088-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009